

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
NORTH MERCER WATER DISTRICT) CASE NO. 99-235

O R D E R

On June 10, 1999, North Mercer Water District (North Mercer) filed its application with the Commission for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 287.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North Mercer purchases water from the City of Harrodsburg Water Department (Harrodsburg).
2. Effective May 1, 1999, Harrodsburg increased its water rates by an across the board 20 percent to its declining block rate design. Harrodsburg bills its customers based on usage measured in cubic feet.
3. During the 12 months ending May 31, 1999, North Mercer purchased 210,620,164 gallons of water and sold 190,845,200 gallons.
4. North Mercer s calculations are correct and show an increase in purchased water cost of \$46,123.78, resulting in a purchased water adjustment factor of 24 cents per 1,000 gallons of water. Based on an average monthly usage of 5,000

gallons, the average bill of North Mercer s customers would increase \$1.20 from \$24.20 to \$25.40 or 5 percent.

5. The purchased water adjustment of 24 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 24 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after the date of this Order.

2. North Mercer s proposed tariff is approved.

3. Within 30 days of the date of this Order, North Mercer shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 6th day of July, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-235 DATED JULY 6, 1999

The following rates and charges are prescribed for the customers in the area served by North Mercer Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES:

First	1,000	gallons	\$9.30	Minimum Bill
Next	2,000	gallons	4.15	per 1,000 gallons
Next	2,000	gallons	3.90	per 1,000 gallons
Next	5,000	gallons	3.70	per 1,000 gallons
All Over	10,000	gallons	3.55	per 1,000 gallons